


<b>Procurement</b>		
<b>Ethical Sourcing Policy</b>		
May 2022	Page 1 of 3	

Bega Cheese Limited is an Australian dairy and food company that recognises the need to observe the highest standards of corporate practice and business conduct in our interactions with our employees, customers, suppliers, business partners, the community and in the environment in which we operate.

We can only achieve this by acting ethically and responsibly. In turn, we expect our suppliers and business partners to be guided by our Ethical Sourcing Policy and reflect this in their supply chain.

### **Our Commitment**

Bega Cheese understands that when people are treated with respect, work in decent conditions and earn fair rates of pay, both they and their companies benefit from increased engagement and productivity. Ultimately, our customers and consumers also benefit from better quality, better value products and from having their ethical sourcing expectations met. This is fundamental to our long-term business sustainability and growth.

This Ethical Sourcing Policy is aligned with our commitment to the United Nations Sustainable Development Goals. Our policy is informed by the Ten Principles of the UN Global Compact and the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work.

### **Scope**

This policy applies to all stages of our supply chain. We expect our direct suppliers to cascade these requirements to their own supply chains.

It is the supplier’s responsibility to achieve, maintain and demonstrate compliance to the Bega Cheese Ethical Sourcing Policy, and ensure ethical sourcing practices in their own supply chains.

Where possible, Bega Cheese will support our suppliers to ensure compliance with this policy. We reserve the right to act if required, which may involve cancelling contracts or ceasing to deal with suppliers if they do not comply with this Ethical Sourcing Policy.

### **Requirements**

Our Ethical Sourcing Policy sets the minimum standard required to be met as a supplier of goods and services to Bega Cheese. In addition, suppliers are required to meet all local, country of operation and international laws regarding labour standards, health and safety, and the environment. Where two or more conflicting standards exist, we expect suppliers to abide by the stricter standard.

Bega Cheese utilises the Supplier Ethical Data Exchange (Sedex) online portal for the secure exchange of ethical data with our Suppliers. Suppliers must complete an annual ethical sourcing self-assessment questionnaire (SAQ) and Bega Cheese may, at its discretion, require an independent compliance audit of the supplier and/or its suppliers.

We expect our suppliers to adopt a similar approach in dealing with their own suppliers and suppliers may be requested to supply evidence of it.

## Suppliers

Bega Cheese suppliers must support socially responsible working conditions by:

1. supporting and respecting the protection of internationally proclaimed human rights;
2. ensuring all actions are taken to not contribute to or cause human rights abuses;
3. not using any type of forced, bonded or indentured labour;
4. providing a safe and hygienic working environment that minimises risk to health, taking into consideration knowledge of the relevant industry and specific hazards;
5. adhering to all applicable laws regarding working hours, wages, social security payments and overtime payments;
6. not using child labour, whereby 'child labour' is defined as any work by a child or young person, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to interfere with that person's education, or be harmful to that person's health or mental, spiritual, moral or social development;
7. upholding the freedom of association and the effective recognition of the right to collective bargaining – and where these rights are restricted under law, suppliers will not hinder the development of parallel means for independent and free association and bargaining;
8. providing a workplace free from harassment, including sexual, verbal, and physical behaviour that creates an offensive, hostile or intimidating environment;
9. not discriminating based on a person's race, gender, sexual orientation, age, nationality, marital status, religion, ethnic origin, union membership, political affiliation, or any other legally protected status; and
10. not using punishment or other forms of mental or physical coercion as a form of discipline.

Bega Cheese suppliers must ensure responsible environmental management by:

1. complying with environmental laws, obligations, permits and licences that protect the environment, prevent pollution and continuously improve environmental performance;
2. identifying and documenting key environmental impacts, implementing policies and improvement plans, targets and controls to minimise the effect on the environment with respect to
  - a. land management and sustainable farming practices
  - b. climate change, reducing energy intensity and greenhouse gas emissions, and sourcing renewable energy
  - c. water sustainability and reducing water intensity
  - d. diverting waste from landfill and increasing recycling and reuse rates
  - e. supporting the 2025 Australian National Packaging Targets, and
  - f. other key impacts relevant to the supplier.
3. identifying pollution risks from potential incidents and creating mitigation plans to prevent adverse environmental impacts; and
4. implementing a purchasing policy and, where practical, sourcing materials and services which minimise or eliminate the impact on the environment and promote the use of recycled materials and sustainable practices with their suppliers.

Bega Cheese suppliers must conduct their business relationships with integrity through:

1. engaging ethically in all transactions and providing transparent documentation and records;
2. not participating in bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, whether given to obtain business or otherwise; and
3. protecting whistle-blower confidentiality and prohibiting retaliation against workers who report workplace grievances.

## Bega Cheese Limited

Bega Cheese Limited and its subsidiaries will:

1. implement the Bega Cheese Ethical Sourcing Policy;
2. provide training and assessment programs for applicable employees based on roles and responsibilities;
3. ensure the responsibilities of this policy are understood by the Bega Cheese leadership team;
4. communicate the requirements of this policy and the expectation for our suppliers to comply;
5. systematically review compliance and report non-conformances in our supply chain;
6. monitor regulatory changes, court decisions or other issues impacting the Bega Ethical Sourcing Policy to ensure it remains relevant; and
7. continually work with our suppliers across the Bega Cheese Group supply chain to implement and sustain the requirements of this policy.

Bega Cheese Limited encourage all of our employees to speak up if they are aware of any policy breaches. We also encourage our suppliers, to raise any issues of compliance or ethics they come across in our company or supply chain. Concerns should be raised initially with their Bega Cheese Limited contact, however, if this is inappropriate in a specific instance to do so, the confidential Whistleblower service is available. Reports can be made to the Whistleblower service via telephone, email, or internet.

Bega Cheese Whistleblower service:

Phone: 1800 173 918

Email: [whistleblower@deloitte.com.au](mailto:whistleblower@deloitte.com.au)

Website: [www.whistleblower.deloitte.com.au](http://www.whistleblower.deloitte.com.au)

Post: Bega Cheese – Deloitte Whistleblower Service, Reply Paid 12628, A'Beckett Street, Melbourne. Victoria 8006

Bega Cheese does not tolerate retaliation by any of our employees against employees or suppliers for reporting a concern in good faith or assisting with an investigation.



Paul van Heerwaarden  
Chief Executive Officer  
Bega Cheese Limited



Antonietta Timms  
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Bega Cheese Limited